State of Illinois SeniorCare Program

Medicaid Section 1115 Demonstration Project

Quarterly Progress Report

June 2002 and July 2002 — September 2002 Quarter

ILLINOIS SENIORCARE PROGRAM QUARTERLY REPORT JUNE 2002 AND JULY – SEPTEMBER 2002 QUARTER

EVENTS

Enrollment:

Effective June 1, 2002, 121,124 participants were active in the SeniorCare program, all in the prescription coverage option and none in the rebate option.

Drug Claim Expenditures:

Expenditures for drug claims were \$15.3 million in June 2002 and \$52.6 million from July through September 2002.

Prior Authorizations:

The preferred drug list for SeniorCare became operational upon implementation of the program. In June 2002, 2,214 prior authorization reviews were conducted by Express Scripts (ESI) with 1,834 (82.8%) of those being approved. The number of prior authorization reviews conducted remained high in July 2002, as was expected at the beginning of the program, before beginning to decline in August 2002 as the bulk of participants on non-preferred drugs had already been reviewed. Billings for prior authorization reviews during the first quarter of state fiscal year 2003 were as follows:

July 2002 3,178 prior authorization reviews; 2,730 (85.9%) approved August 2002 882 prior authorization reviews; 722 (81.9%) approved 500 prior authorization reviews; 397 (79.4%) approved

ACCOMPLISHMENTS/PROBLEMS/ISSUES

Rollover of the enrollment from the state only program to the waiver program went very smoothly. New cards were mailed shortly before the implementation date so that all enrollees had cards by the implementation date. Attached are the various notices sent to recipients of the new cards and to potentially eligible individuals receiving benefits other than pharmaceutical assistance in the Circuit Breaker Program

Besides the greater benefit, the most visible change to seniors compared to the state only Circuit Breaker program was the use of the Medicaid preferred drug list in the waiver program. For drug classes not covered in the state only program, this was primarily an education issue and all enrollees received a flyer with an explanation of how the preferred drug list worked, how to get prior approval of non-preferred drugs and the cost saving reason for the preferred drug list. For classes of drugs covered by the state only program,

application of the preferred drug list had the potential for disruption of therapies. To avoid this, Express Scripts identified all Circuit Breaker enrollees who had received a prescription of a Medicaid non-preferred drug during the 90 days preceding implementation of SeniorCare. A one-month prior approval was loaded into the SeniorCare claims processing system for these individuals and these drugs. A patient specific letter was generated identifying the non-preferred drug the patient was taking and the preferred alternatives. (Example attached) The letter explained that the enrollee needed to bring the letter to their doctor and have the doctor either switch them to a preferred drug or call for a longer prior approval. It appears that most enrollees followed up as the letter requested since the expiration of the one-month prior approvals went very smoothly.